



## U.S. private sector job growth disappoints

### Financial Markets

*Romania's* central bank unexpectedly cut its key interest rate on Wednesday for the seventh consecutive session to a new low. The Board of the National Bank of Romania reduced the monetary policy rate to 1.75% from 2.00%. Economists had expected the bank to leave rates unchanged following a quarter-point reduction in March. The central bank has lowered the rate steadily from 3.50% in six quarter-point reductions since August 2014.

### High Income Economies

In another sign of sluggishness in the labor market, payroll processor ADP said that employment in the *U.S.* private sector increased by 169,000 jobs in April compared to a downwardly revised increase of 175,000 jobs in March. Economists had expected private sector employment to climb by about 200,000 jobs compared to the addition of 189,000 jobs originally reported for March. Employment in the service-providing sector rose by 170,000 jobs in April, while employment in the goods-producing sector edged down by 1,000 jobs.

*Eurozone* retail sales declined in March for the first time in six months as both food and non-food product sales decreased from February. Retail sales volume dropped 0.8% (m/m) in March, reversing a 0.1% rise in February. This was the first decline since September and was larger than the economists expected drop of 0.7%. On a yearly basis, growth in retail sales eased to 1.6% (y/y) from 2.8% in February. It was also slower than the 2.4% rise forecast by economists.

### Developing Economies

#### Latin America and the Caribbean

*Brazil's* private sector activity fell at the fastest pace in more than six years during April, with weaker performance in both manufacturing and services sectors, survey results from Markit Economics showed Wednesday. The headline seasonally adjusted HSBC Brazil Composite Output Index tumbled to 44.2 from 47 in March, marking its lowest reading since March 2009. A reading above 50 suggests contraction in the private sector. The Purchasing Managers' Index (PMI) for the services sector plunged to a 72-month low of 44.6 in April from 47.9 in March, amid declining new business and an increasingly fragile economy.

#### Sub-Saharan Africa

*Kenya's* private sector activity expanded at the fastest pace in four months in April, survey figures from Markit Economics showed Wednesday. The Cfc Stanbic Kenya PMI rose to 56.2 in April from 53.8 in

March, indicating a robust improvement in operating conditions. Any reading above 50 indicates expansion in the sector. Higher output, new orders, and employment underpinned the increase in the PMI.

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